

AN ACT

relating to the treatment of proceeds from sales of certain loans and securities for purposes of apportionment under the franchise tax.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 171.106, Tax Code, is amended by adding Subsection (f-1) to read as follows:

(f-1) Notwithstanding Section 171.1055, if a lending institution categorizes a loan or security as "Securities Available for Sale" or "Trading Securities" under Financial Accounting Standard No. 115, the gross proceeds of the sale of that loan or security are considered gross receipts. In this subsection, "Financial Accounting Standard No. 115" means the Financial Accounting Standard No. 115 in effect as of January 1, 2009, not including any changes made after that date. In this subsection, "security" means a security as defined in Section 171.0001(13-a).

SECTION 2. This Act applies only to a report originally due on or after the effective date of this Act.

SECTION 3. This Act takes effect January 1, 2010.

President of the Senate

Speaker of the House

I certify that H.B. No. 4611 was passed by the House on May 1, 2009, by the following vote: Yeas 139, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 4611 was passed by the Senate on May 27, 2009, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor